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SUBJECT: HONDURAN ATMOSPHERICS ON CAFTA, JUNE 5-12, 2003

[1](#)1. Op-ed by Rodil Rivera in Tegucigalpa-based liberal daily "La Tribuna" (6/05) entitled "Frustration," "What has happened to all the wealth that the bureaucrats assured us would come from CAFTA? As we see it, the negotiations are stalling and the American negotiators are offering less than Central America expected."

[1](#)2. San Pedro Sula-based Liberal daily "Tiempo," (06/06) ran an article entitled "The US has cards hidden up its sleeve in the CAFTA negotiations." "Some segments in the Honduran private sector believe the U.S. is not responding to the expectations it had aroused because, during the last round of negotiations in Guatemala, it proposed a five-year tariff reduction program, instead of offering to let goods enter the US tariff-free right from the start of the agreement as Honduran business had expected."

[1](#)3. Op-ed by Roger Marin in Tegucigalpa-based moderate daily "El Herald" (06/06) entitled, "Dangerous relationships," which says that the signing of CAFTA is not supposed to provide all answers to problems from agricultural productivity to the macro economy and exchange rate balance. "CAFTA can only be a mechanism to creating a more prosperous and fairer economy, but that will be our responsibility."

[1](#)4. San Pedro Sula-based Liberal daily "La Prensa" (6/08) carried an interview with Jesus Canahuati, president of the Honduran Association of Maquiladores and member of the CAFTA negotiation team, entitled "Guatemala: reckless and confrontational in CAFTA negotiations," in which he emphasized that there is a severe conflict between the Guatemalan private sector and the governmental team, who is carrying out the negotiations in a reckless and unilateral manner.

[1](#)5. "La Tribuna" (6/09) featured an article entitled "Honduras will not be fully aggressive on the fifth round of negotiations." "None of the Central American teams will be belligerent during the upcoming round towards the aggressive proposals of the U.S. team. "This round will be key to finding out more about the U.S. position on CAFTA."

[1](#)6. Article in "Tiempo" (6/09) entitled "CAFTA will lose income". Honduran authorities have estimated that the country would lose 1.5 billion lempiras per year due to the decrease in tariff revenues.

[1](#)7. "El Herald" (6/10) carried an interview with former Costa Rican president Miguel Angel Rodriguez entitled, "We need to negotiate more than just free trade." "Free trade with the US beyond question beneficial, but Central America also needs to include other issues, such as migration, cooperation and compensation to social groups."

[1](#)8. Article in "El Herald" (6/10) entitled "Central America will expand trade offer to the US" reports that the Central American negotiation teams agreed to expand the trade offer to the US from 58% to 75%. This proposal that will be presented in the fifth round of negotiations means that the basket of goods included in the agreement went from 3,700 to 4,800 products. "This means that the next round will be key because the real negotiations will kick off."

[1](#)9. Article in "La Prensa" (6/11) entitled "Guatemala will negotiate by itself." The discrepancies among the Central American teams have become evident since Guatemala announced it might present its own trade offer to the U.S. in the Fifth round. Guatemalan private groups have criticized their government's proposal for not considering the interests of the entire country.

[1](#)10. An article in "La Tribuna" (6/11) entitled, "Central American textile entrepreneurs are finishing up their proposal to U.S.," says the proposal will consider the needs of the textile and clothes-making sector, stressing the importance of textiles in CAFTA. The Central American textile entrepreneurs are also assessing the advantages and disadvantages of the U.S. proposal for their industry.

[1](#)11. Article in "La Prensa" June 12, entitled "Tegucigalpa will be the starting point of the negotiations," sees the fifth round as the real beginning of CAFTA negotiations. It also goes on to say that Honduras will present a concrete proposal on labor integration.

12. An article in "EL Herald", 6/12), entitled "Textile counterproposal is ready to be presented to the U.S.," says that, according to Honduran maquila owners, the most critical issues are the rules of origin, access to plain fabrics and the definition of "preferences" in U.S. market access.

Palmer